

2014

Kentucky

Oxford House

Setup Guide

The Establishment of Kentucky's Fund

The Kentucky Cabinet for Health and Family Services, Division of Behavioral Health, has established the Group Home Loan Program through contract (number MH-MR 89-90 5080) with the Kentucky Housing Corporation. The Cabinet for Health and Family Services will provide \$100,000 of Alcohol, Drug Abuse and Mental Health Services Block Grant funds to the Kentucky Housing Corporation to establish a revolving loan program for group homes for recovering substance abusers. The Kentucky Housing Corporation will be permitted to deposit these funds into interest bearing accounts in order to generate revenue sufficient to cover administrative cost for operating the loan program. From the principal amount of \$100,000, the Kentucky Housing Corporation will make approximately 25 loans for \$4,000 maximum each to private non-profit entities for the operations of a group home to serve at least six (6) individuals who are recovering from alcohol or drug addiction. Residents of the home must agree to live in a democratic, self-sustaining, drug-free single family dwelling.

The terms of the loans will be 24 monthly installments. Interest on the loans will be set by the Kentucky Housing Corporation at or below current market rates. They will issue payment books and collect the payments. Late charges for delinquent payments will also be set by the Kentucky Housing Corporation. The Kentucky Housing Corporation will also have responsibility for inspecting the housing prior to occupancy.

The Cabinet for Health and Family Services, Division of Behavioral Health, has developed criteria for applicants and process applications for loans. The Division of Behavioral Health will inform the Kentucky Housing Corporation of approved applicants. Follow-up on delinquent accounts, quality control and program evaluation will be the responsibility of the Division of Behavioral Health.

The Kentucky Group Home Loan / Oxford House system was established by Mac Bell who opened the first house in Louisville in December of 1989.

The Kentucky Group Loan Program for Recovering Substance Abusers Authority

The Anti-Drug Abuse Act of 1988 (Public Law 100-690, Section 1916A) allows the state of Kentucky-

1. To establish a revolving fund to make loans for the costs of establishing programs for the provision of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than **six (6)** individuals;
2. To ensure that programs are carried out in accordance with guidelines published in the Federal Register Vol. 54 No 74 dated Wednesday, April 19, 1989. Group Home for recovering Substance Abusers; Guidelines;
3. To ensure that not less than \$100,000 will be available for the revolving fund;
4. To ensure that each loan made from the revolving fund **does not exceed \$4,000** and that each loan is repaid to the revolving fund not later than two (2) years after the date on which the loan is made;
5. To ensure that each loan is repaid through monthly installments and that a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved;
6. To ensure that such **loans are made only to non-profit private entities** agreeing that, in the operation of the program established pursuant to the loan:
 - A. **The use of alcohol or any illegal drug in the housing provided by the program will be prohibited;**
 - B. **Any resident of the housing who violates such prohibition will be expelled from the housing;**
 - C. **The costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and**
 - D. **The residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.**

Steps to establish a New Kentucky Group Home Loan / Oxford House in Kentucky

The following is a step-by-step application procedure for a Group Home Loan/Oxford House.

Step One (1) Organizing a Group

The first step of starting a house consists of finding individuals willing to live together in a new house. We encourage applicants to get as many members from existing Oxford Houses as possible, because they will make the transition of establishing a new house much easier than a new person in recovery.

- 1.) Locate a minimum of **six (6)** and not greater than **twelve (12)** recovering individuals (all of the same gender) who are interested in living together in an alcohol and drug free environment, Ensure that you have enough individuals to cover the expenses of the new house.
- 2.) You want individuals who are committed to their recovery from alcohol and drug addiction and have completed the program at a drug treatment facility.
- 3.) Individuals must complete an "Application for Membership in Oxford House."
- 4.) You should consider an organization to sponsor the house for accountability purposes. Some examples would be: other Oxford Houses, substance abuse treatment facilities, drug court programs, churches, etc.
- 5.) These individuals must be willing to follow the simple guidelines and rules of the house;
 - a. No alcohol or drug use, sale or distribution will be tolerated in the house;
 - b. Each house member must have a job or a legitimate source of income and be able to pay his/her own way in the house (rent, utilities, etc). Some members may be retired, on disability or financially stable. If a member is not employed full time they must volunteer at least three (3) days per week;
 - c. Each member must be willing to hold an elected office within the house for six months e.g. President, Treasurer, Secretary, Comptroller or Coordinator.
 - d. Each member must be willing to attend weekly house meetings, where house business will be conducted;
 - e. Each member must be committed to his/her own recovery program (attending support groups etc. on a regular basis.)

Step Two (2) Locating a House to Rent

The next step is to locate a suitable house to rent for your recovery group. Find a house that you would be proud to call home. The house must meet the following requirements;

- 1.) The house must have adequate space for all occupants.

Bedroom: each member must have adequate bed space - typically two (2) per room as to reduce relapse, seclusion and loneliness.

Bathroom: space - typically one (1) full bath for every three (3) members.

Parking: In seeking a house to rent, keep in mind that once recovering individuals have been sober they begin to get their finances in order and will often buy a car. Try to park in a place that does not offend the neighbors or give the appearance of a used car lot? Members who own a car should be respectful and not use all of the parking spaces in a neighborhood.

- 2.) Location is **key** for sustainability of the house. Try to choose a property in a good neighborhood that is located within walking distance of a bus stop, grocery store or business for employment.
- 3.) The house must be neat, clean and move in ready before the completion of the loan.
- 4.) Houses must meet the minimum standards set forth in the U.S. Department of Housing and Urban Development - Housing Quality Standards (HQS) Inspection.
- 5.) The house must pass a fire safety inspection from the local fire department (please obtain documentation of the inspection.)
- 6.) Landlords must be informed that the house is for recovering individuals and rules prohibit the use of alcohol and drugs. A good relationship with the landlord should be maintained to insure an open line of communication.

Who signs the lease?

The signatory of the lease is the individual Oxford House; for example, Oxford House - Main Street. The effect of this commitment by the group to the landlord is important because of the nature of Oxford House and the application of local landlord-tenant laws.

Oxford House works because an individual resident who returns to using alcohol or drugs--in or outside of the house--must be immediately expelled from the house. If the individual is a signatory to the lease the immediate eviction becomes difficult, if not impossible, because of local landlord-tenant rights. In many jurisdictions it takes up to ninety days to evict a tenant even for non-payment of rent. Since no individual is a signatory to an Oxford House lease, the relapsing individual who is being evicted has no legal rights to delay his or her departure. There is no way to accomplish this result without the signature on the lease being in the name of the particular Oxford House group.

The landlord gets additional benefit from this type of agreement. The landlord deals with duly constituted officers of the group and can expect accountability for all matters concerning the occupancy. Individuals come and go but officers will always be duly authorized to act for the group. Moreover, the landlord does not have to worry about the accountability of particular individuals. He or she is dealing with an established organization that, of necessity, takes pride in preservation of its good name and reputation.

Who is Responsible

The particular group house is responsible to the landlord. An important part of why Oxford House has been so successful is that accountability and responsibility is given to the recovering individuals themselves. As a group they behave responsibly and out of the "group responsibility" individuals develop a new responsible lifestyle free of alcohol and drug use.

Oxford House, Inc., plays an important part in making certain that individual groups behave responsibly through the use of the "Charter" mechanism. Each individual group is given an Oxford House Charter which makes it a part of the network of Oxford House recovery houses. That charter carries with it certain privileges; for example, the individual house is (1) brought under the tax exempt status of Oxford House, Inc. (2) given support and education about the operation of self-run, self-supported recovery houses, (3) provided assistance in filling vacancies and enforcing sobriety and financial responsibility and (4) monitored to assure quality control. It becomes important to every house that it keep its charter.

Oxford House, Inc., monitors the activities of each house in a number of ways. It has on-site support by dedicated members of Alcoholics Anonymous and Narcotics Anonymous. Individuals active in those programs have the Oxford House toll-free telephone number and call Oxford House headquarters if a particular house is not strictly carrying out its responsibilities under its charter. Getting sober and staying sober is serious business for these recovering individuals and their dedication to helping others achieve sobriety is unsurpassed.

Oxford House, Inc., keeps in touch with the members of each house on a regular basis. This involves weekly reports, periodic phone calls and the maintenance of continuous contact to keep track of vacancies and assure financial responsibility. It also enforces the Oxford House system of operations.

Oxford House, Inc., does not guarantee payments of rent. That would defeat the whole principle of establishing a system that teaches recovering individuals themselves to be responsible. However, it does the next best thing by utilizing and enforcing its charter concept. Unlike the normal group house situation, for which there is no assurance of quality control, the Oxford House concept provides the landlord with the assurance of a dedicated partner in making certain that every Oxford House in the country is run in a responsible manner.

Zoning

Oxford Houses are considered single family residences for purposes of zoning. This has always been true in practice and since March 12, 1989, the effective date of the 1988 Amendments to the **Federal Fair Housing Act**, it has been a matter of law. Those amendments make it unlawful for any jurisdiction to discriminate against congregate living for the disabled. Recovering alcoholics and drug addicts are within the scope of the term "disabled". Therefore, Oxford

Houses are not subject to zoning laws regulating the number of unrelated individuals who may live in a single family dwelling. An Oxford House is not a treatment facility. It is simply an alcohol and drug free living environment which provides and opportunity for recovering individuals to live as a family unit focused on the need to change their individual lifestyle to one absolutely free of alcohol and drug use. There is no need to seek prior approval for leasing to an Oxford House. Oxford House, Inc., will legally defend any claim of zoning violation made by localities still unfamiliar with the new federal law.

Suggestions how to estimate weekly rent:

- Repayment of the loan to Kentucky Housing Corporation is normally \$174.95 per month for 24 months. With this in mind include a rough estimate for rent, utilities, and any other house costs. These items should be added together and divided by the number of residents.
- The amount of weekly rent a member can afford depends on the locality, but as a general rule members can afford between \$65 and \$120 per week to cover rent and other expenses.
- Some vacant beds are to be expected during the first three to four months of operation (individual costs are higher when there are fewer members living in the house) because a new house takes time to become known. Some individuals will be forced to leave because of relapse, thereby causing a vacancy until a new member is voted in. Also keeping a member's rent paid in advance minimizes strain on the house.
- New houses are generally able to get donated furnishings.

Step Three (3) Applying for the loan

Complete the attached Group Home Loan application on page 8. Once complete, make sure you have filled out every item and all of the information is accurate. Include the individual applications for each person who will potentially live in the house. If you have any questions or need technical assistance, please contact the individual below. Send the applications for the Kentucky Group Home Loan Program to:

Adam Trosper, Program Coordinator
Division of Behavioral Health, Developmental and Intellectual Disabilities
275 East Main Street 4 W-G
Frankfort, Kentucky 40621
Phone 502.782.6230
(Monday through Friday 8:00am to 4:30pm EST).

The application approval process will be conducted on an as needed basis. The approval panel will consist of staff members from the Division of Behavioral Health. Each applicant will receive notification of the approval or the disapproval of their application within fourteen (14) working days.

Step Four (4) During the review process the following shall occur:

- 1). Each application will be screened to assure that the all information in the application is correct. Incomplete applications will be returned to the sender.
- 2). Approved applications will be awarded according to greatest need.
- 3). Approved applications will be referred to the Kentucky Housing Corporation for processing.
- 4). Kentucky Housing Corporation will conduct an inspection of the proposed house to assure that the house meets the requirements of an HQS inspection.
- 5). The applicant must provide documentation that the house “passed” a fire-safety inspection from the local fire department.
- 6.) The applicant will need to open an Oxford House checking account. The account should require two signatures on each check to be valid
Establishing a checking account for an Oxford House is simple. The applicant will need to complete the application for an Employer Identification Number (EIN). Please contact the Kentucky Oxford House State Office for examples and instructions. Providing the EIN to the bank should insure a smooth transaction when opening a checking account for the Oxford House.
- 7.) The Kentucky Housing Corporation will issue the payment books (24 monthly payments). The interest rate will be set at 5%. Late charges will range between \$25 and \$35.

***“Starting a new house takes some work, but help is available
and the rewards for many are life-saving.”***

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**APPLICATION for
KENTUCKY GROUP HOME
LOAN PROGRAM/OXFORD
HOUSE**

All the information in this application will be kept confidentially between the Division of Behavioral Health and the Kentucky Housing Corporation.

APPLICATION NUMBER:

Potential name of the Recovery House: _____

Name of contact person: _____

Phone number of contact person: (____) _____ - _____

Address of House: _____
(Street & Number) (City) (Zip Code)

Phone number of House (If available): (____) _____ - _____

Name of Landlord: _____

Address of Landlord: _____
(Street & Number) (City) (Zip Code)

Phone number of Landlord: (____) _____ - _____

AMOUNT REQUESTED

Total amount of loan requested (not to exceed \$4,000) \$ _____

The amount of the loan check will be made payable in the name of the "House" which must be a non-profit entity.

Amount of this loan will consist of the following Items:

A.) First month's rent ----- \$ _____

B.) Security deposit ----- \$ _____

C.) Utilities deposit total (Only: electricity, water, gas and phone) ----- \$ _____

Please list other items you will purchase with the loan and projected price below. (Ex: 6 beds at \$45---(\$270))

C-1.) _____ (\$ _____)

C-2.) _____ (\$ _____)

C-3.) _____ (\$ _____)

C-4.) _____ (\$ _____)

D.) Total of ALL Start-up Expenses.----- = \$ _____

HOUSE INFORMATION

Terms of the Lease or Rental Agreement: _____ (months or years)

Maximum number of individuals expected to live in the house: _____ (all rent-paying residents)

Square footage of kitchen: _____ sq. ft. (multiply the length by the width = sq. ft.)

Number of refrigerators currently in structure: _____

Number of bedrooms in the house: _____

Number of full & half- bathrooms in the house: _____ (minimum: 3 bedrooms & 2 full baths)

SIGNATURES

The six undersigned hereby certify that they are recovering from an addiction to alcohol and/or drugs and that no use, sale or distribution of alcohol or drugs will occur in the recovery house, and that the recovery house will be self-supporting and self-governing. The undersigned certify that all the information in this application is true to the best of their knowledge and give permission for all information to be verified.

(Printed Name)	(Signature)	
1.) _____	_____	Date: _____
2.) _____	_____	Date: _____
3.) _____	_____	Date: _____
4.) _____	_____	Date: _____
5.) _____	_____	Date: _____
6.) _____	_____	Date: _____

FOR KHC USE ONLY:

Loan Approved: _____ Loan Rejected: _____ Loan Amount: \$ _____ Monthly Payments: \$ _____

Terms of Loan: _____ yrs. _____ %

Approved by: _____ Date: _____

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Sample Residential Lease

The sample residential lease below is one way to structure a lease between a landlord and the individual Oxford House entity that will rent the house. Some landlord add a provision that the group must maintain its Oxford House Charter and belong to a mutually supportive chapter whenever a chapter is formed within the geographic area.

BY THIS AGREEMENT, made and entered into on [date to be signed] between [name of landlord], herein referred to as Lessor and Oxford House-[name of house], herein referred to as Lessee. Lessor leases to Lessee the premises situated at [address of house] for a term of two (2) years to commence on [beginning date] and to end on [ending date] at 12 o'clock PM.

1. Rent. Lessee agrees to pay, without demand to Lessor as rent for the demised premises the sum of twelve hundred dollars (\$1,200) per month in advance on the 28th of each calendar month beginning April 1, 2007 at such place as the Lessor may designate.

2. Security Deposit. Lessee will pay Lessor \$1,200 on execution of this lease and authorizes Lessor to keep it on deposit as a security deposit, receipt of which is acknowledged by Lessor, as security for the faithful performance by Lessee of the terms hereof, to be returned to Lessee, without interest, on the full and faithful performance by the Lessee of the provisions hereof.

3. Quiet Enjoyment. Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold, and enjoy the demised premises for the agreed term.

4. Use of Premises. The demised premises shall be used and occupied by Lessee exclusively as a private single family residence, and neither the premises nor any part thereof shall be used at any time during the term of this lease by the Lessee for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family residence in accordance with the concept and system of operations of an Oxford House as described in the attachment entitled "Oxford House and Landlords: The Legal and Policy Reasons Underlying Oxford House Leases" and acknowledge that both Lessor and Lessee have read the attachment. Lessee shall comply with all the sanitary laws, ordinances, rules and orders of appropriate governmental authorities, affecting the cleanliness, occupancy, and preservation of the demised premises, and the sidewalks connected thereto, during the term of this lease.

5. Number of Occupants. Lessee agrees that the demise premises shall be occupied by no more than ten (10) persons consisting of ten (10) adults and no children under the age of 18 years without the written consent of the Lessors. Such individuals must be in a bona fide Oxford House.

6. Condition of Premises. Lessee stipulates that he has examined the demised premises, including the grounds and all building and improvement, and that they are, at the time of this lease, in good order, repair, and a safe, clean, and tenantable condition.

7. Assignment and Subletting. Without the prior written consent of Lessor, Lessee shall not assign this lease, or sublet or grant any concession or license to use premises or any part thereof. Consent by Lessor to one assignment, subletting, concession, or license shall not be deemed to be consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of Lessor, or an assignment or subletting by operation of law, shall be void and shall, a Lessor's option terminate this lease.

8. Alterations and Improvements. Lessee shall make no alterations to the buildings on the demised premises or construct any building or make other improvements on the demised premises without the prior written consent of Lessor. All alternations, changes, and improvements built, constructed, or placed on the demised premises by Lessee, with the exception of fixtures removable without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the demised premises at the expiration or sooner termination of this lease.

9. Damage to Premises. If the demised premises, or any part thereof, shall be partially damaged by fire or other casualty not due to Lessee's negligence or willful act or that of his employee, family, agent, or visitor, the premises shall be promptly repaired by Lessor and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the leased premises may have been untenable; but, if the leased premises shall be damaged other than by Lessee's negligence or willful act or that of his employee, family, agent or visitor to the extent that Lessor shall decide not to rebuild or repair, the term of this lease shall end and the rent shall be prorated up to the time of the damage.

10. Dangerous Materials. Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonable increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

11. Utilities. Lessee shall be responsible for arranging for and paying for all utility services required on the premises.

12. Right of Inspection. Lessor and his agents shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the demised premises for the purpose of inspecting the premises and all building and improvements thereon.

13. Maintenance and Repair. Lessee will keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof and pay for any repair up to one hundred dollars (\$100). In particular, Lessee shall keep the fixtures in the house or on or about the leased premises in good order and repair; keep the furnace clean, keep the electric bells in order; keep the walks free from dirt and debris; and shall make all required repairs to plumbing, range, heating, apparatus and electric and gas fixtures whenever damage thereto shall have resulted from Lessee's misuse, waste, or neglect or that of his employee, family, agent, or visitor. Major maintenance and repair of the lease premises, not due to lessee's misuse, waste or neglect or that of his employee, family, agent or visitor shall be the responsibility of Lessor or his assigns. Major expenditures shall include any expenditure over one hundred dollars (\$100) for plumbing, electrical or appliances needing repair not caused by the Lessee's neglect, misuse or waste. Lessee agrees that no signs shall be placed or painting done on or about the leased premises by Lessee or at his direction without the prior written consent of Lessor.

14. Animals. Lessee shall keep no domestic or other animals on or about the leased premises without the written consent of Lessor.

15. Display of Signs/Sale of Premises. During the last 30 days of this lease, Lessor or his agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the demised premises and of showing the property to prospective purchasers or tenants and may sell premises with 90 days notice to Lessee. Upon the purchase of premises by another individual or entity this lease shall become void 90 days following the transfer of title to the demised premises.

16. Subordination of Lease. This lease and Lessee's leasehold interest hereunder are and shall be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the demised premises by Lessor, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

17. Holdover by Lessee. Should Lessee remain in possession of the demised premises with the consent of Lessor after the natural expiration of this lease, a new month-to-month tenancy shall be created between Lessor and lessee which shall be subject to all the terms and conditions hereof but shall be terminated on thirty (30) days' written notice served by either Lessor or Lessee on the other party.

18. Surrender of Premises. At the expiration of the lease term, Lessee shall quit and surrender the premises hereby demised in as good state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements excepted.

19. Default. If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in performance of or compliance with any other term or condition hereof, the lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter the premises and remove all persons there from. Lessee shall be given written notice of any default or breach, and termination and forfeiture of the lease shall not result if, within 10 days of receipt of such notice, Lessee has correct the default or breach or has taken action reasonable likely to effect such correction within a reasonable time.

20. Abandonment. If at any time during the term of this lease Lessee abandons the demised premises or any part thereof, Lessor may, at his option enter the demised premises by any means without being liable for any prosecution therefore, and without becoming liable to Lessee for damages or for any payment of any kind whatever, and may, at his discretion, as agent for Lessee, relet the demised premises, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and at Lessor's option hold Lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term, if this lease had continued in force, and the net rent for such period realized by Lessor by means of such reletting. If Lessor's right of re-entry is exercised following abandonment of the premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on the premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.

21. Binding Effect. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the landlord and the nonprofit individual Oxford House identified herein, and all covenants are to be construed as conditions of this lease.

IN WITNESS WHEREOF, the parties have executed this lease the day and year first above written.

[Name of Landlord _____]

Lessor

[Name of 1 of the potential residents]

on behalf of [Name of particular Oxford
House]

Lessee